Canadian Grain Commission
Commission canadienne des grains

Canadian Grain Commission

2009-2010

Report on Plans and Priorities

Minister of Agriculture and Agri-Food and
Minister for the Canadian Wheat Board

Canada

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Minister's Message

Welcome to the Canadian Grain Commission's (CGC) *Report on Plans and Priorities 2009-10*. This report details how the CGC intends to use its resources to carry out its responsibilities to protect grain producers' interests and to ensure a dependable commodity for Canada's international and domestic markets.

As we move forward into our second mandate, this government remains deeply committed to ensuring the success of the Canadian agriculture and agri-food sector. I was honoured to be reappointed Minister of Agriculture and Agri-Food and I welcome the opportunity to continue my work on behalf of our farmers and indeed all Canadians.

As Minister, I have been struck by the uniqueness of the Agriculture and Agri-Food (AAF) Portfolio. The six partner organizations that make up the Portfolio – Agriculture and Agri-Food Canada, Canadian Food Inspection Agency, Farm Credit Canada, Canadian Grain Commission, Canadian Dairy Commission and National Farm Products Council – serve many of the same stakeholders and have complementary responsibilities. However, what really distinguishes the AAF Portfolio for me is the sense of shared purpose to strengthen our sector and make it more viable in the long term. It is a common objective that can most effectively be realized by working together.

The collaborative spirit that pervades the AAF Portfolio will be crucial in continuing the progress on *Growing Forward*. The completion of the *Growing Forward* multilateral framework in July 2008 marked a major step toward a truly integrated and comprehensive plan focused on competitiveness and innovation, society's priorities and proactive risk management. With the planned launch of new programming under *Growing Forward* in the coming fiscal year, I am counting on the knowledge and continuing support of the Portfolio partners to fulfill the prospects for a more profitable and innovative agriculture and agri-food sector in the future.

This Government is proud of the CGC's work and looks forward to working with the organization in order to better serve Canadian farmers. This *Report on Plans and Priorities* highlights the CGC's plans and priorities for 2009-10 and future years.

The Honourable Gerry Ritz
Minister of Agriculture and Agri-Food and
Minister for the Canadian Wheat Board

Chief Commissioner's Message

Welcome to the Canadian Grain Commission's (CGC) *Report on Plans and Priorities* for the fiscal year 2009-10. The CGC is the federal agency responsible for setting standards of quality and regulating Canada's grain handling system. Our vision is to be a leader in delivering excellence and innovation in grain quality and quantity assurance, research, and producer protection.

Canada has a strong reputation for supplying domestic and world markets with safe, high quality grain. The CGC's role in providing assurance of grain quality, safety, and quantity are integral in helping Canada maintain this reputation. Canada's robust grain quality assurance system has permitted Canadian grain to be "branded" internationally for many years, providing Canada with a competitive advantage in the global grain market. The CGC will continue to work alongside the Minister of Agriculture and Agri-Food's portfolio partners and the grain industry to maintain market competitiveness and add value to Canadian producers and Canada's grain quality assurance system.

The CGC operates in a climate of constant change stemming from shifting international and domestic markets, technological advancements, and evolving end-user needs. In addition, competitive markets and international standards are increasing demands for both grain quality and grain safety assurances. The CGC continues to deliver its mandated and regulatory responsibilities while re-allocating resources to new and emerging issues that have created significant structural and funding pressures in recent years.

The CGC is working in close collaboration with the other organizations in the AAF portfolio, and with a wide range of stakeholders in the development of the *Growing Forward* vision, particularly in the areas of Food Safety and Quality; Market Development and Trade; and Science and Innovation to ensure that the new policies and programs effectively and efficiently meet the needs of all those working in the agriculture and agri-food sector.

This report outlines the CGC's plans and priorities for the fiscal year 2009-10. I am confident that our plans and strategies will improve Canada's grain quality assurance system and help achieve significant value for producers and Canadians overall.

Elwin Hermanson
Chief Commissioner
Canadian Grain Commission

SECTION I – DEPARTMENTAL OVERVIEW

1.1 Summary Information

Raison d'être and Responsibilities:

Mandate

The CGC is a federal government agency and administers the provisions of the *Canada Grain Act*. The CGC's mandate as set out in this Act is to, "in the interests of the grain producers, establish and maintain standards of quality for Canadian grain and regulate grain handling in Canada, to ensure a dependable commodity for domestic and export markets."

Vision

The CGC vision is to be "A leader in delivering excellence and innovation in grain quality and quantity assurance, research, and producer protection."

Department Description

Canada is known worldwide as a supplier of safe, high quality grain[1]. Our edge in the marketplace has always been quality and consistency. The CGC's role in providing assurances of grain quality, safety and quantity help Canada maintain this reputation. The CGC enhances grain marketing through the quality assurance, quantity assurance, grain quality research and producer protection programs and services identified in Section II.

Canada's grain quality assurance system (GQAS) assures consistent and reliable grain quality and grain safety that meets the needs of international and domestic markets. An effective GQAS is a key factor in permitting Canadian exporters to market successfully in competitive international grain markets and is essential for producers in order to realize maximum value from their grain. The Canadian grain quantity assurance system assures the weight of grain loaded into or discharged from conveyances. In addition, the quantity assurance program assures the weight of grain in store at licensed terminal and transfer elevators.

The CGC conducts research in support of the GQAS to address emerging issues and permit the effective marketing of Canadian grain in the interests of producers and the Canadian grain industry. In addition, the CGC is mandated to serve producer interests by upholding the *Canada Grain Act* and as such has implemented a number of programs and safeguards to ensure the fair treatment of Canadian grain producers. The provision of these CGC programs and activities results in equitable grain transactions and consistent and reliable Canadian grain shipments.

The CGC reports to parliament through the Honourable Gerry Ritz, **Minister of Agriculture and Agri-Food**. The CGC's head office is located in Winnipeg, Manitoba. As of December 31, 2008, the CGC employed 643 full-time equivalents and operated 16 offices across Canada. Funding for CGC programs and activities is through a combination of revolving fund and appropriation sources.

[1] Grain refers to any seed designated by regulation as a grain for the purposes of the *Canada Grain Act*. This includes barley, beans, buckwheat, canola, chick peas, corn, fababeans, flaxseed, lentils, mixed grain, mustard seed, oats, peas, rapeseed, rye, safflower seed, solin, soybeans, sunflower seed, triticale and wheat.

Strategic Outcome

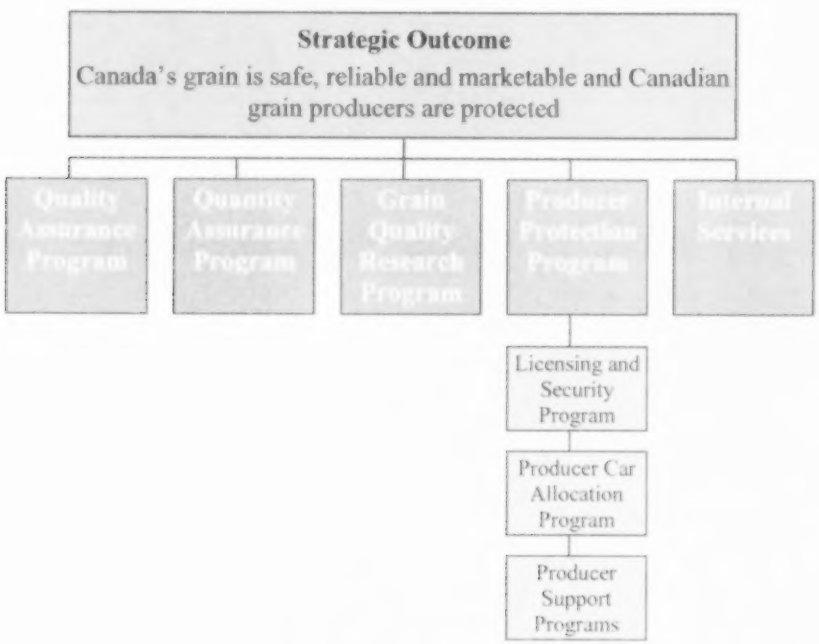
Canada is known around the world for the quality, consistency, reliability and safety of its grain and grain products. This is a key factor in permitting Canadian exporters to market successfully in competitive international grain markets. The GQAS delivered by the CGC is integral to the functioning of Canada's grain industry and assures consistent and reliable grain quality and grain safety to meet the needs of international and domestic markets. This is particularly important considering Canada exported approximately $9.89 billion in cereals, grains and oilseeds during 2007. In our role as a neutral third party regulator and arbiter, the CGC works in partnership with virtually every participant in the grain industry. In order to effectively pursue its mandate, the CGC aims to achieve the following strategic outcome:

- **Canada's grain is safe, reliable and marketable and Canadian grain producers are protected.**

An effective GQAS is essential for producers in order to realize maximum value from their grain and the CGC is committed to providing effective producer protection services. CGC operations directly support Canada's efforts to brand Canadian agriculture as a leader in food safety and quality, science and innovation, and business risk management.

Program Activity Architecture

The following chart illustrates the CGC's Program Activity Architecture (PAA). The PAA is the basic structure for the management and allocation of resources to various programs and activities to achieve intended results. The CGC's PAA has five program activities. Each program activity contributes to making progress to the CGC's single strategic outcome. The producer protection program consists of three program sub-activities.


Strategic Outcome
Canada's grain is safe, reliable and marketable and Canadian grain producers are protected
Quality Assurance Program
Quantity Assurance Program
Grain Quality Research Program
Producer Protection Program
Internal Services
Licensing and Security Program
Producer Car Allocation Program
Producer Support Programs

1.2 Planning Summary

This section outlines the CGC's total planned financial and human resources. The *Planning Summary Table* shows the performance indicators and targets identified for the CGC's strategic outcome as well as the expected results and the financial resource allocation for each program activity. This is followed by a discussion of the CGC's operational and management priorities and the associated plans. The CGC's integrated people and business planning (IPBP) process ensures that human resource needs are aligned to the CGC's vision, goals and objectives, strategic plan and budgetary resources.

The following tables provide a summary of the total planned spending and human resources for the CGC for the next three fiscal years.

Financial Resources ($ thousands)

2009-2010*	2010-2011*	2011-2012*
46 567	46 567	46 567

Human Resources (Full Time Equivalents (FTEs))

2009-2010*	2010-2011*	2011-2012*
421	421	421

*Note: Planned spending for 2009-2010, 2010-2011 and 2011-12 includes the annual appropriation of $5.2 million and projected respendable revenue of approximately $41.4 million. The CGC is seeking access to $42.4 million in 2009-10 to maintain current programming, and support the current compliment of 643 FTEs. The $42.4 million will offset the one year funding of $26.5 million and the previous draw down from the accumulated surplus of $14.2 million provided for in the previous fiscal year. Total planned spending in 2009-10 will be approximately $89.0 million. Further information is available in the Expenditure Profile Section on page 14.

Planning Summary Table

Strategic Outcome: Canada's grain is safe, reliable and marketable and Canadian grain producers are protected.						
Performance Indicators			*Targets*			
Number of instances where buyers are dissatisfied with CGC standards, methods or procedures used to ensure a dependable commodity for domestic and export markets			Zero instances			
Level of producer satisfaction with CGC producer protection services			Zero unresolved or unaddressed complaints			
Program Activity[1]	Expected Results	Forecast Spending 2008-09	Planned Spending[5]			Alignment to Government of Canada Outcomes[2]
			2009-10	2010-11	2011-12	
Quality Assurance Program	Consistent and reliable grain quality and grain safety assurance to meet the needs of domestic and international markets	36 925	23 438	23 438	23 438	An innovative and knowledge-based economy[3]
Quantity Assurance Program	Consistent and reliable quantity assurance of Canadian grain shipments	10 771	9 373	9 373	9 373	An innovative and knowledge-based economy[3]
Grain Quality Research Program	Research and development on grain quality and grain safety to support and improve Canada's GQAS	8 407	3 365	3 365	3 365	An innovative and knowledge-based economy[3]
Producer Protection Program	Producers' rights are supported to facilitate fair treatment within the licensed grain handling system	2 793	938	938	938	A fair and secure marketplace[3]
Internal Services	Consistent and effective delivery of the CGC's programs and activities	17 003	9 453	9 453	9 453	N/A[4]
Total Planned Spending		75 899[5]	46 567[5]	46 567[5]	46 567[5]	

[1] Program activity descriptions are available on the Treasury Board Secretariate Main Estimate website at: http://www.tbs-sct.gc.ca/est-pre/20092010/p2-eng.asp

[2] Further information on the Whole of Government Framework and the Government of Canada Outcomes is available at: http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/mrrsp-psgrr/wgf-cp-eng.asp

[3] Further information on the CGC's link to the Government of Canada Outcome areas is available at http://grainscanada.gc.ca/cgc-ccg/cr-rm/goco-rogoc-eng.htm

[4] The CGC's internal services are enabling activities and align to Government of Canada outcome areas indirectly through the CGC's other four program activities.

[5] Planned spending for 2009-2010, 2010-2011 and 2011-12 includes the annual appropriation of $5.2 million and projected respendable revenue of approximately $41.4 million. The CGC is seeking access to $42.4 million in 2009-10 to maintain current programming, and support the current compliment of 643 FTEs. Total planned spending in 2009-10 will be approximately $89.0 million.

Contribution of Priorities to Strategic Outcome

The CGC has identified several operational and management priorities that will be the focus of attention and resources during the reporting period. Each priority contributes to the success of the CGC's single strategic outcome (SO).

Operational Priorities	Type	Link to SO	Priority Description and Plans
1. Ongoing delivery of the CGC mandate under the *Canada Grain Act* in a climate of constantly changing international and domestic markets, technological advancements and evolving end-user needs and preferences Further information on the programs and services that contribute to this priority is available at: http://grainscanada.gc.ca/	Ongoing	SO[1]	**Description:** • Ensuring Canadian grain exports are uniform and consistent with regard to intrinsic quality and grain safety assurance through inspection, weighing, testing, monitoring and grain sanitation programs • Supporting the GQAS through research and development on grain quality and grain safety • Ensuring fair grain transactions **Plans:** • Continue consistent daily delivery of programs and services in support of the CGC's mandate • Continue people management initiatives necessary for the successful delivery of this priority
2. Positioning the GQAS to remain relevant and to support the continued competitiveness of Canadian grains in both domestic and international markets	Ongoing	SO[1]	**Description:** • Developing and implementing programs, initiatives, and new research methods and processes aimed at maintaining and strengthening the Canadian GQAS to ensure a safe, dependable commodity **Plans:** • Continue to evolve and refine the Canadian GQAS to remain relevant and competitive and ensure Canada's reputation for consistent grain quality is maintained • Respond to increasing demands for grain safety assurance from buyers and national food inspection authorities • Develop protocols for accrediting or designating third party agencies, with CGC oversight, to perform sampling to make CGC certification services more readily available where applicable • Review delivery mechanisms for CGC services
3. Sound regulatory framework Identified as "Regulatory Compliance" in the CGC's 2008-09 RPP	Previously committed to	SO[1]	**Description:** • The CGC promotes, maintains and enforces compliance with the *Canada Grain Act* and the *Canada Grain Regulations* • Reviews of the CGC have repeatedly recognized the value of the CGC to the grain sector, but have also identified the need for change • The CGC's regulatory requirements must add value to the grain sector including producers and Canadians in general and must address the risks and challenges present in today's GQAS taking into account producer needs, changing agricultural business environments and the need to enhance the sector's competitiveness

			Plans: • Continue efforts to ensure a sound regulatory framework that is effective, responsive, consistent, cost-efficient and accountable • Work in consultation with stakeholders with a goal to modernizing regulation and reducing mandatory costs to the grain sector, including producers
4. Relationship building/strengthening awareness	New	SO[1]	**Description:** • Canada is known around the world for the quality, consistency, reliability and safety of its grain and grain products. This is a key factor in permitting Canadian exporters to market successfully in competitive international grain markets. • The CGC has a long-term commitment to building and maintaining a strong GQAS for the Canadian grain industry from producers to customers. • General knowledge of what the CGC does and our role in domestic and international grain markets is low. **Plans:** • Continue to work with AAF portfolio partners, provincial government organizations, central agencies to develop and build relations and to increase awareness of the CGC's mandate and activities both within Canada and with our international customers • Develop and implement effective communication tools and communications to highlight CGC activities, promote CGC awareness, and consult with producers and other stakeholders
Management Priorities	**Type**	**Link to SO**	**Description**
1. Sustainable CGC funding mechanism	Ongoing	SO[1]	**Description:** • Due to changes in the grain sector, low user fee levels, and increased costs of providing service, the CGC has required additional ad hoc government funding each year since 1999 in order to fulfill its mandate • A sustainable funding mechanism is imperative for the CGC to carry out its legislated responsibilities and maintain its capacity to create value for producers, the grain industry, and the Canadian public as an integral part of a successful Canadian GQAS • A review of alternative funding mechanisms has been initiated **Plans:** • Continue efforts to determine an optimal funding arrangement • Continue to work to identify the organization's funding needs for 20010-11 and a process to address funding needs in future years

2. Effective people management to achieve planned human resource needs and capacity and to meet Public Service Renewal objectives established by the Privy Council	Previously committed to	SO[1]	**Description:** • The CGC's People Management Framework (PMF) provides direction and focus for the CGC by setting out strategies for meeting human resource needs as the organization strives for excellence in delivering services to our clients. This includes the CGC's integrated people and business planning (IPBP) process that links people management to the CGC's vision, goals and objectives, strategic plan and budgetary resources. **Plans:** • Evaluate and update the PMF to ensure that the desired CGC direction for and focus on people is maintained • Continue implementation and integration of the CGC's Informal Conflict Management System, Competency-Based Management and Performance Management Program • Forecast departmental needs and develop succession strategies and processes • Assess CGC people plans and the planning process to ensure rigorous, disciplined and comprehensive processes for business and people planning integration
3. Management Accountability Framework (MAF) priorities	Previously committed to	SO[1]	**Description:** • Accountability remains a key priority for the Government of Canada. The Treasury Board Secretariats' (TBS) MAF continues to evolve as an instrument of accountability and a tool for analysis. • The MAF provides a structure for dialogue between the TBS and government departments on the state of management practices in the public service and on priorities for management improvement. • The CGC's MAF audit results (Round V 2007-08) will be used as a source to identify management issues and priorities during the 2009-2010 planning period. **Plans:** • A Chief Audit Executive will be responsible for planning and conducting internal audits and evaluations • Continue efforts to improve reporting to Parliament as per TBS guidelines • Formalize the corporate risk profile and integrated risk management framework

[1]Note: Each of the priorities contributes to the successful delivery of the CGC's strategic outcome.

Risk Analysis

The CGC is continually building on the GQAS to maintain market competitiveness and Canada's reputation as a consistent supplier of quality grain. The CGC's strategic outcome is directly focused on and committed to ensuring safe, reliable and marketable Canadian grain as well as providing producer protection services. As previously noted, the Canadian grain industry and the GQAS delivered by the CGC operate in a climate of constant change. The GQAS must be able to adapt to this change to assure consistent and reliable grain quality and grain safety that meets the needs of international and domestic markets.

Risk management is an essential part of the decision making and strategic planning processes at the CGC. Risk management is carried out on an ongoing basis and is embedded in the program activities and services provided by the CGC. Feedback from producers and grain handlers, domestic and international processors, and other government organizations often provides early indication of potential risk. The CGC's Project Management System requires project managers to identify risks and create risk mitigation and contingency strategies for risks that have the potential to affect project outcomes. An external scan is prepared on an annual basis and reviewed by senior management at an annual strategic planning session to identify potential emerging threats. Risk assessment provides the organization forward guidance that is necessary within the context of the rapidly changing grain industry. The CGC is in the process of formalizing its corporate risk profile and integrated risk management framework.

The CGC continuously strives to mitigate identified risks and make improvements to its risk assessment and risk management strategies. Successful risk management throughout the organization directly influences the CGC's capacity to deliver upon its mandate, strategic outcome and program activities. The CGC has identified the following key strategic risks and risk mitigation strategies. Key risks and challenges associated with each program activity and the CGC's plans to address these challenges are further discussed in Section II.

Quality Assurance Risk: The CGC's quality assurance system must align with and be able to respond to the changing requirements of domestic and international grain markets to ensure consistent and reliable grain quality and grain safety assurance. The CGC has the following risk mitigation strategies in place to manage risks to the quality assurance system:

- To ensure relevance and value of grain standards in facilitating the segregation, movement of grain and transfer of ownership, a broad spectrum of producers and grain industry representatives meet several times annually, through the Western and Eastern Standards Committees and commodity-specific subcommittees, to study and review grain standards.
- The CGC tracks buyers' satisfaction with the consistency of Canadian grain through feedback garnered by CGC personnel from overseas or domestic buyers and processors. The CGC also receives feedback on the GQAS directly from producers and grain handlers. Feedback is used to build upon and strengthen the existing GQAS to ensure continued relevancy.
- Adherence to ISO Quality Management System procedures includes regular review of quality assurance processes allowing the CGC to adjust service procedures and identify or adjust training as necessary.

Quantity Assurance Risk: The CGC's quantity assurance program must align with and be able to respond to the changing requirements of the grain industry to effectively ensure consistent and reliable quantity assurance of Canadian grain shipments. The CGC has the following risk mitigation strategies in place to manage the risks to the quantity assurance system:

- Adherence to ISO Quality Management System procedures includes regular review of quantity assurance processes allowing the CGC to adjust service procedures and identify or adjust training as necessary.

- The CGC receives feedback on the quantity assurance program directly from producers and grain handlers. The feedback received is used to build upon and strengthen the existing quantity assurance program to ensure continued relevancy.

Science and Technology Capacity: The CGC's science and technology capacity must keep pace with the needs of domestic and international markets in order to ensure Canada's grain is safe, reliable and marketable. To mitigate the science and technology capacity risks, the CGC:

- Tracks buyers' satisfaction with the GQAS through feedback received by CGC personnel from overseas or domestic buyers and processors, producers and grain handlers. The feedback received is used to identify research priorities to build upon and strengthen the existing GQAS to ensure continued relevancy.
- Tracks projects undertaken in the Grain Research Laboratory (GRL) through the CGC's established Project Management System. Risk management and contingency strategies are created for the management of identified risks. Milestone and/or update reports and project close-out reports formally track project progress, results, and analysis of variances impacting cost, deliverables, schedule, risks, and lessons learned to assist the director-sponsor and the CGC's Executive Management Committee in monitoring the progress and outcomes of the projects.

Producer Protection Framework: CGC producer protection programs must align with and be able to adapt to the evolving needs of producers and the grain industry to ensure that producers are compensated fairly for the quality and quantity of grain delivered and shipped. To mitigate this risk, the CGC:

- Investigates producer concerns/complaints
- Monitors the licensing and security program as per the licensing risk assessment program
- Consults with and evaluates feedback from producers on the activities and services provided under the producer protection program activity

Human Resources Capacity and Capabilities: The existing CGC workforce and work environments must align with the current and future needs of the CGC. A skilled and motivated workforce is critical to the CGC in delivering its services to Canadians. The CGC has implemented an integrated people and business planning (IPBP) process that links people management to the CGC's vision, goals and objectives, strategic plan and budgetary resources. The main goal is to get the right number of people with the skills, experience and competencies, in the right jobs, at the right time, at the right cost as well as ensuring an effective work environment and balanced culture throughout the organization. Risk assessment and risk management is embedded in the IPBP process to ensure the workforce and work environments align with the current and future needs of the CGC. The CGC has identified the following strategic people outcomes, key challenges, and plans for the 2009-10 reporting period:

People Outcomes	Key Challenges	Plans
Sustainable Workforce • The appropriate resources and the competencies of our people match the anticipated needs of the CGC	• Employees with significant knowledge of key positions will retire in the next 5 years	• Develop and implement a succession development strategy for senior and middle management • Develop competency profiles for 40% of the job families • A core learning map is implemented

	• CGC people needs are considered in both strategic and operational planning	• Assessment and continued integration of IPBP
Productive Workforce • Effective employment strategies to ensure that people are clear about their responsibilities and that work is organized to ensure optimal service delivery	• Effective recruitment and retention of qualified individuals • Employees understand their responsibilities and work expectations	• Develop effective and efficient resourcing strategies • Applicable performance and learning objectives are established for each employee at the CGC. The use of Personal Learning Plans (PLP) are promoted and supported.
Leadership • Leadership at the CGC is provided to accomplish our mandate, realize our vision, live our values and work together effectively as outlined in our People Management Philosophy	• Maintain positive working relationship with bargaining agents • CGC values demonstrated consistently throughout the organization • CGC managers, supervisors and developing leaders must have the competencies needed to effectively manage and lead	• Further development and clarification of existing terms of reference both nationally and locally • Develop a proposal to clarify and communicate values across the CGC. • Institution of a core learning map which includes a leadership component. Deliver a collaborative management course to 30% of managers.
Enabling Work Environment • A supportive culture with work environments that are safe and healthy and that bring out the best in people through effective communication and respect for individuals.	• Effective communication and conflict management practices are in place • CGC representation reflects labour market availability for designated groups	• Strengthen Peer Support networks. Expand on existing communication and conflict training to more staff • Institute a revised multi-year Employment Equity Plan that is incorporated into the IPBP process

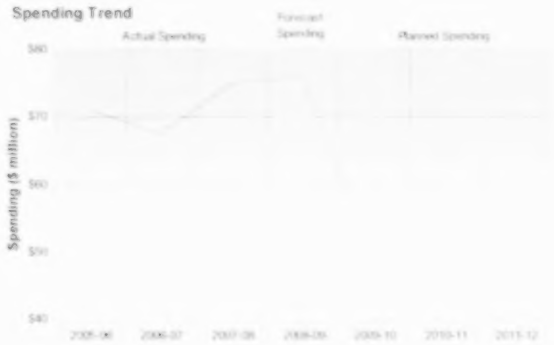
Expenditure Profile

The figure below illustrates the CGC's spending trend from 2005-06 to 2011-12. The CGC has approval to spend $46.6 million for the 2009-10, 2010-11, and 2011-12 fiscal year. This includes the annual appropriation of $5.2 million and projected respendable revenue. In previous years, additional funding has been approved on an annual basis to support the CGC. However, the additional funding which is being sought for 2009-2010 is not included in planned spending as it will be accessed via Supplementary Estimates, subject to parliamentary approval. Consequently the year over year comparison reflects only the funding approved at the time the Main Estimates for 2009-10 were prepared.

Departmental Spending

Fiscal Year	Spending ($ million)
2005-06	70.95[1]
2006-07	67.56[1]
2007-08	74.95[1]
2008-09	75.90[2]
2009-10	46.57[3]
2010-11	46.57[3]
2011-12	46.57[3]

[1] Actual spending
[2] Forecast spending
[3] Planned spending



Annually, the CGC receives ongoing voted appropriation of $5.2 million to cover the costs associated with Assistant Commissioners and to fund a portion of the GRL. The rest of the organization's programming is intended to be cost recovered via Revolving Fund (RF) fee revenues, collected primarily from inspection and weighing services. These revenues are dependent on annual grain volumes which can fluctuate considerably from year to year. This results in a variable funding source. However, the CGC has fixed costs related to its statutory mandate which cannot be eliminated or reduced as revenue declines. In order to meet evolving grain industry needs, labour contract settlements, and general increases in the costs of goods and services, the CGC maintains an ongoing process of cost containment and reallocates internal resources to meet new and emerging priorities.

Planned spending from 2009-2010 to 2011-2012 shows a decline from 2008-2009 forecasted spending due to the expiration of the 2008-09 ad hoc funding. On an annual basis the funding for the CGC has been supplemented to meet its statutory obligations. For 2009-10, the CGC is seeking $42.4 million to address the projected fiscal year shortfall. Approval of this supplemental funding will provide the CGC with total funding of approximately $89 million which will maintain the CGC's operations and staff complement.

Voted and Statutory Items Displayed in Main Estimates

Vote or Statutory Item	Canadian Grain Commission	**2009-2010 Main Estimates ($ 000's)**	2008-2009 Main Estimates ($ 000's)
40	Program Expenditures	**4 756**	4 756
(S)	Canadian Grain Commission Revolving Fund	**(120)**	(120)
(S)	Contributions to Employee Benefit Plans	**561**	577
	Total Department	**5 197**	5 213

The Vote and Statutory items reflect the CGC comparison of approved funding from year to year. In 2008-2009, CGC received an additional $26.5 million via Supplementary Estimates that is not reflected in the Main Estimates.

SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

2.1 Strategic Outcome

The CGC has one strategic outcome to reflect the planned direction of the CGC as well as the daily delivery of the CGC's program activities. The strategic outcome reflects the long-term benefit to Canadians that stems from the CGC's mandate and vision. The CGC's strategic outcome is:

Canada's grain is safe, reliable and marketable and Canadian grain producers are protected.

To measure its success in delivering upon this strategic outcome, the CGC has identified two performance indicators. The CGC:

1. monitors the number of instances where buyers are dissatisfied with the CGC standards, methods and/or procedures used to ensure a dependable commodity for domestic and export markets, and
2. monitors the level of producer satisfaction with CGC producer protection services.

The target is zero instances where buyers are dissatisfied with CGC standards, methods and/or procedures and zero unaddressed or unresolved complaints.

The CGC has identified four program activities to reflect how the resources under its control are allocated and managed to achieve intended results. These are: **the quality assurance program, the quantity assurance program, the grain quality research program, and the producer protection program**. This section identifies the expected results, performance indicators and targets for each program activity and explains how the CGC plans on meeting the expected results. The CGC has identified key strategic risks for each program activity and has identified the risk management strategies used to mitigate these risks. In addition, this section illustrates how each program activity contributes to and supports the CGC's strategic outcome and plans and priorities delineated in Section I.

In addition to the four program activities identified above, internal services are identified as a fifth program activity. Internal services are enabling activities and are integral to achieving results and delivering the CGC's strategic outcome and program activities identified above. In previous reporting documents, resources associated with CGC internal services were factored into the program activities above using the CGC's costing model. For 2009-10 and future year reporting documents, the planned financial and human resources associated with internal services will be identified independently.

The CGC remains committed to modernizing regulation and reducing mandatory costs to the grain sector, including producers. Modernization of the *Canada Grain Act* and the *Canada Grain Regulations* will ensure that the CGC's legislation, programs and services continue to meet the evolving needs of Canadian producers and the grain industry and that the CGC can effectively and successfully deliver upon its strategic outcome and program activities. This contributes directly to operational priority #3 (sound regulatory framework). Efforts directed towards relationship building (operational priority #4) will enhance awareness of what the CGC does and the benefits and value that we offer to Canadians, producers, and the grain industry.

The CGC's three management priorities contribute to the successful delivery of all of the CGC's program activities and the strategic outcome. Securing a sustainable funding mechanism (management priority #1) is critical for the CGC to continue fulfilling its statutory mandate and maintain service levels to producers and the grain industry. Successful development, implementation and delivery of the CGC's people planning priorities (management priority #2) will ensure that the CGC has the human resource capacity capable of meeting program activity requirements and strategic outcome expected results now and in the future. The results from the CGC's 2007-2008 MAF audit will be used as a source to identify management issues and priorities during the 2009-10 planning period (management priority #3).

2.1.1 Program Activity 1: Quality Assurance Program

Program Activity: Quality Assurance Program					
2009-2010		**2010-2011**		**2011-2012**	
Human Resources (FTEs)	**Planned Spending ($ thousand)**	**Human Resources (FTEs)**	**Planned Spending ($ thousand)**	**Human Resources (FTEs)**	**Planned Spending ($ thousand)**
229	23 438	229	23 438	229	23 438
Expected Result		**Performance Indicator**		**Target**	
Consistent and reliable grain quality and grain safety assurance to meet the needs of domestic and international markets		Number of justified cargo complaints due to a breakdown in CGC quality and/or safety assurance		Zero justifiable cargo complaints	
Key Strategic Risks • The quality assurance system must align with the needs of domestic and international markets **Risk Management Strategies** • The Western and Eastern Standards Committees and commodity-specific subcommittees regularly study and review grain standards, ensuring relevance and value of those standards in facilitating the movement of grain and transfer of ownership • Obtaining feedback on the GQAS directly from producers, grain handlers, and overseas or domestic buyers and processors to build upon and strengthen the existing GQAS to ensure continued relevancy • ISO 9001:2000 Quality Management System • Integrated people and business planning process to determine human resource challenges and determine strategies and solutions					
Additional information on the Quality Assurance Program is available at: http://grainscanada.gc.ca/quality-qualite/iaqm-mrsq-eng.htm					

Program Activity Summary:

Canada's GQAS assures consistent and reliable grain quality that meets the needs of international and domestic markets. Daily provision of grain inspection and grading services as mandated by the *Canada Grain Act*, as well as strong scientific and technical support programs and services, are integral components to the overall delivery of an effective GQAS. Canada's

GQAS is continually adapted to the end-use needs of domestic and international buyers of Canadian grain, and to the ongoing structural changes within the grain industry to maintain Canada's reputation as a consistent supplier of quality grain. An effective GQAS is a key factor in permitting Canadian exporters to operate successfully in competitive international grain markets and is essential for producers in order to realize maximum value from their grain.

Planning Highlights:

The overall expected result of the CGC's quality assurance program is consistent and reliable grain quality and grain safety assurance to meet the grade expectations and quality needs of domestic and international grain markets. The performance indicator used to measure success is the number of justified cargo complaints due to a breakdown in CGC quality and/or safety assurance. The annual target is zero justifiable cargo complaints.

The following inspection activities and testing services are components of the overall delivery of the CGC's GQAS and are necessary for the CGC to achieve the expected result for this program activity and the overall expected results of the CGC's strategic outcome:

- Maintain and deliver an effective Quality Management System as per ISO 9001:2000 standards.
- Inspect and grade grain using regularly updated and approved standards as mandated by the *Canada Grain Act*.
- Provide certificates and documentation related to the inspection of grain exports to assure sellers and buyers of the quality and safety of a shipment of Canadian grain and to facilitate its marketing.
- Conduct testing to ensure that grain in the domestic licensed elevator system and grain destined for export is infestation free.
- Provide an unbiased process for appeal of official inspections to producer car users, and licensed primary, terminal, and transfer elevator operators who disagree with the grades assigned by CGC inspectors.
- Managing a complaint resolution process for the quality of grain cargoes and conducting unload investigations upon shipper and producer request to ensure customer satisfaction.

The consistent daily delivery of inspection and testing services associated with the quality assurance program directly supports operational priority #1 (ongoing delivery of the CGC mandate).

There continues to be challenges facing the CGC and the GQAS including increased international emphasis on end-use functionality, growing global competition, and shifting domestic crop production and volume fluctuations. In light of increasingly stringent international food safety regulations, the demand for cargo specific grain safety testing continues to increase. Buyers of Canadian grain are increasingly demanding more rigorous, timely testing for chemical residues and trace elements on cargoes. Addressing these challenges is necessary to maintain the successful delivery of this program activity and in the ultimate success of the CGC in delivering upon its strategic outcome. To this extent, the CGC will continue efforts on the following initiatives and activities to ensure that the GQAS remains relevant and that the expected results of this program activity are achievable:

- **Grain Safety Assurance:** The CGC is the only government agency that provides grain safety assurances on pesticides, trace elements, mycotoxins, fungi and moulds. Plans include:

- Increasing testing and monitoring of export cargoes to ensure Canadian grain is meeting international grain safety and sanitation tolerances and end-use quality (e.g. deoxynivalenol (DON), Ochratoxin-A, toxic residues, bacterial contamination, weed seeds, insects, and malting quality for specific barley varieties).
- Liaising with both international and other Canadian agencies on trade implications, to meet international standards and legislation on grain safety.

- **Removal of Kernel Visual Distinguishability (KVD)**: Effective August 1, 2008, KVD was eliminated as a registration criterion for all western Canadian wheat classes. The CGC is a member of the "Industry Committee on the Removal of KVD". The committee is composed of a producer representative from each of the prairie provinces, the CGC, CWB, the Western Grain Elevator Association, the Inland Terminal Association, and Agriculture and Agri-food Canada. Historically, Canada's KVD requirement allowed segregation of wheat into quality classes based on visual distinguishability. The Committee determined that a combination of an industry system of declarations, grain company quality management systems and protocols, and monitoring and sampling protocols will be relied upon to ensure the quality of Canadian wheat. As part of an agreed upon handling and liability protocol, and the overall wheat quality management system, a declaration system was finalized for the 2008-09 crop year. Plans for 2009-10 include:
  - Communication to ensure all stakeholders are fully cognizant of their obligations and the associated consequences of not complying with agreed upon protocols. This includes meeting directly with producers and producer organizations.
  - Continued work with committee members to refine the key elements in a post KVD environment to ensure correct segregation and certification of Canadian wheat shipments without the use of KVD.
  - Evaluation and process adjustments to maintain the integrity of the quality assurance system.
- **Non-registered and De-registered Wheat Varieties:** Effective August 1, 2008 producers are required to complete a declaration form confirming that their wheat only contains varieties that are eligible for the specific class of western Canadian wheat for which payment is being requested. An eligible variety refers to a registered variety and/or a variety that is designated by the CGC to be eligible for a particular wheat class. Any wheat variety can be delivered into the handling system, but only varieties on the CGC's "Variety Designation Lists" are eligible to be graded as one of the eight classes of milling wheat. If a producer grows a variety that is not on one of the designation lists (de-registered or unregistered), that wheat is only eligible for the Canada Western Feed class or the lowest grade of amber durum. During the planning period the CGC will:
  - Increase monitoring of railcar and vessel shipments for the presence and source of non-registered wheat varieties to support the CGC certification processes and ultimately maintain end-use processing quality and customer perceptions of Canadian grain.
  - The CGC and the CFIA will continue working collaboratively with grain handlers, farm groups, the seed sector and the CWB to develop both short and long-term policies and communication protocols to address de-registration of wheat varieties. The CGC is committed to ensuring that the policies will give adequate notice to producers.
- **Rapid Affordable Technology:** The CGC will continue assessing the use of objective tests and evaluating new technology to measure end-use quality to increase efficiency, reduce costs and enhance the testing capabilities. Rapid economical variety identification (VID)

- A pilot program for Ochratoxin-A testing in regional laboratories.
- A rapid viscosity analysis (RVA™) pilot program to determine the levels of sprout damage in Canadian grain.

- **Process Verification:** The CGC will continue efforts to develop and implement process verification programs with the goal of enhancing global acceptance of Canadian grain by delivering specific quality attributes, unique product specifications, and traceability in a cost effective manner (e.g. CIPRS+HACCP, third party accreditation, certified container sampling program).

The review and adaptations made to the quality assurance program to remain relevant contribute directly to operational priority #2 (positioning the GQAS to remain relevant) and operational priority #3 (sound regulatory framework).

Benefits for Canadians

The quality assurance program activity aligns with and directly contributes to the pursuit of the Government of Canada outcome area: *An Innovative and Knowledge-based Economy*. This program contributes to the Government of Canada's objective in this area of a diverse and technologically advanced economy. The CGC will continue to provide technical advice and training, information on grain quality assurance issues, and transfer technology in the form of validated methods to producers and industry stakeholders when feasible. The quality assurance program supports not only the delivery of the CGC mandate, but positions Canada with a sustainable competitive advantage in global grain markets.

2.1.2 Program Activity 2: Quantity Assurance Program

Program Activity: Quantity Assurance Program					
2009-2010		2010-2011		2011-2012	
Human Resources (FTEs)	Planned Spending ($ thousand)	Human Resources (FTEs)	Planned Spending ($ thousand)	Human Resources (FTEs)	Planned Spending ($ thousand)
96	9 373	96	9 373	96	9 373

Expected Result	Performance Indicator	Target
Consistent and reliable quantity assurance of Canadian grain shipments	Number of justified cargo complaints due to a breakdown in CGC assessment of quantity	Zero justifiable cargo complaints

Key Strategic Risks

- Quantity assurance program must align with the requirements of the grain industry

Risk Management Strategies

- Continuously monitoring and evaluating CGC weighing policies and procedures
- Obtaining feedback on the grain quantity assurance program directly from producers, grain handlers, and overseas or domestic buyers to ensure continued relevancy
- Integrated people and business planning process to determine human resource challenges and determine strategies and solutions

Additional information on the Quantity Assurance Program is available at:
http://grainscanada.gc.ca/quantity-quantite/iaqnm-mrsqn-eng.htm

Program Activity Summary

The Canadian grain quantity assurance system assures the weight of grain loaded into or discharged from conveyances. In addition, the quantity assurance program assures the weight of grain in store at licensed terminal and transfer elevators. Daily provision of grain weighing services as mandated by the *Canada Grain Act* forms a major part of the quantity assurance program. To maintain relevancy and address constantly changing industry demands, technical assistance is provided in support of the grain quantity assurance system.

Planning Highlights

The overall expected result of this program activity is consistent and reliable quantity assurance of Canadian grain shipments. The performance indicator used to measure the CGC's success in meeting the expected result is the number of justified cargo complaints due to a breakdown in CGC assessment of quantity. The target is zero justifiable cargo complaints.

The following grain quantity assurance activities are components of the overall delivery of the CGC's GQAS and are necessary for the CGC to achieve the expected result for this program activity and the overall expected results of the CGC's strategic outcome:

- Delivery of weighing services, weighing system inspection programs, and grain inventory accounting services (GIAS) to maintain an effective QMS as per ISO 9001:2000 standards.

- Monitoring to ensure that the quantity and/or identity of grains shipped under IP systems is preserved.
- Conducting official weigh-overs of all stocks in store at licensed terminal and transfer elevators at prescribed intervals.
- Preparing official unload reports at licensed terminal and transfer elevators to authenticate received weights. These reports are used by the Dispute Resolution Service (DRS).
- Managing the Grain Inventory Accounting System (GIAS) for the industry to provide accurate information of licensed terminal and transfer grain inventory data.
- Managing the DRS to assist grain producers and the grain industry in recovering for grain lost during transport by railcar or during the discharge process. An extensive historical railcar deficiency database is maintained to substantiate shippers' reported weight loss claims. This database provides information on railcar derailments, railcars missing at destination and commingling of contents at unload, and allows tracing of railcar location and placements.
- Managing the complaint resolution processes for quantity of export grain cargoes to maintain ongoing customer satisfaction.

The challenges for the quantity assurance system include the changing information requirements needed to manage grain stocks, and the need to keep up-to-date with weighing and transfer technology in grain elevators. In order to address constantly changing industry demands, the CGC will continue to collect, interpret and distribute railcar data and information and generate reliable grain quantity data to meet specific industry and buyer needs. In addition, the CGC will continue to provide technical advice and continue to establish and maintain grain quantity assurance standards that evolve with industry grain weighing procedures and equipment standards. Regular review of quantity assurance processes allows the CGC to adjust the service procedures as necessary through Improvement Requests (IR), and identify or adjust training requirements as needed.

This program activity directly supports operational priority #1. Delivery of weighing services and programs is a component of the ongoing provision of the CGC mandate and the Canadian GQAS. In addition, review and adaptations made to weighing programs, procedures, and equipment contributes to enhancing the Canadian GQAS (operational priority #2) and to a sound regulatory framework (operational priority #3).

Benefits for Canadians

The quantity assurance program activity contributes to the pursuit of the Government of Canada outcome area: *An Innovative and Knowledge-based Economy*. This program contributes to the Government of Canada's objective in this area of a diverse and technologically advanced economy. The CGC provides ongoing technical advice, training, and information on grain quantity assurance to meet specific industry and buyer needs. The CGC establishes and maintains Canadian grain quantity assurance services to continuously evolve with industry grain weighing procedures and equipment standards. The quantity assurance program is integral to the functioning of Canada's grain industry and the CGC's strategic outcome of ensuring Canada's grain is safe, reliable and marketable and Canadian grain producers are protected.

2.1.3 Program Activity 3: Grain Quality Research Program

Program Activity: Grain Quality Research Program					
2009-2010		2010-2011		2011-2012	
Human Resources (FTEs)	Planned Spending ($ thousand)	Human Resources (FTEs)	Planned Spending ($ thousand)	Human Resources (FTEs)	Planned Spending ($ thousand)
26	3 365	26	3 365	26	3 365

Expected Result	Performance Indicator	Target
Research and development on grain quality and grain safety to support and improve Canada's GQAS	Assessment of grain quality and grain safety research undertaken, sponsored, and/or promoted by the CGC	"Excellent" on a scale of excellent, good, fair or poor

Key Strategic Risks

- Canada's GQAS technology must align with the needs of domestic and international markets
- Funding constraints/lack of budget

Risk Management Strategies

- Collaborative and jointly funded research efforts and liaison activities (nationally and internationally)
- Project Management System: Projects undertaken in the GRL are tracked through the CGC's established Project Management System. Risk management and contingency strategies are created for the management of identified risks. Milestone and/or update reports and project close-out reports are prepared using standardized documentation to formally track project progress, results, and analysis of variances impacting cost, deliverables, schedule, risks, and lessons learned to assist the director-sponsor and EMC in monitoring the progress and outcomes of the projects.
- External proficiency testing to monitor the use of proper methods among laboratory personnel and plans for ISO/IEC 17025 accreditation for certain methods.
- Five year capital plan in place/update equipment regularly as budget allows.
- Integrated people and business planning process to identify human resource challenges that could impact delivery of CGC program activities and strategic outcome. Strategies and plans are identified annually.

Additional information on the Grain Quality Research Program is available at:
http://www.grainscanada.gc.ca/research-recherche/iarm-mrsr-eng.htm

Program Activity Summary

The *Canada Grain Act* requires the CGC to undertake, sponsor and promote research related to grains. The CGC's Grain Research Laboratory (GRL) conducts research in support of the GQAS to address emerging issues and permit the effective marketing of Canadian grain in the interests of producers and the Canadian grain industry. The GRL researches methods to measure grain quality and safety, new quality and safety factors, and new grain standards. In addition, the GRL carries out the CGC's annual Harvest Sample Program (previously referred to as the Harvest Survey). Grain quality and safety research supports the continual improvement of the GQAS.

Planning Highlights

The expected result of this program activity is research and development on grain quality and grain safety to support and improve Canada's GQAS. The performance indicator used to measure the CGC's success is an overall assessment of the grain quality and grain safety research undertaken, sponsored, and/or promoted by the CGC. The target is delivering excellence in grain quality and safety research.

This program activity directly supports operational priority #1 as undertaking, sponsoring and promoting grain related research upholds the mandate of the CGC. In addition, research on methods and measurement factors to determine quality and safety, end-use applications of Canadian grain supports improvement of the Canadian GQAS and operational priority #2.

The changing needs of the Canadian grain industry present new opportunities for the CGC's research activities and the GQAS. There is a shift in the type of crops grown and their end-uses, and increased demand for variety identification by objective non-visual methods. Research focus has shifted to address these issues in pulses, new types of oilseeds, variety identification, and GM crops. However, research related to traditional crops, such as wheat, barley, canola and flax, is still essential as these crops make up a significant proportion of the domestic and export markets. There is increasing emphasis on end-use functionality, especially new end-uses in the domestic industry. Grain is increasingly being sold based on specifications requiring objective non-visual testing of quality or safety factors and the provision of grain quality and safety assurances.

The following key research activities contribute to the expected results of this program activity, and the continued success of the CGC in achieving its strategic outcome:

Research conducted on methods to measure grain quality and grain safety

- The CGC's GRL will continue to assess the use of objective tests to measure grain quality and grain safety to increase efficiency, reduce costs and enhance the testing capabilities of the CGC. Rapid non-visual methods for the assessment of grain quality and grain safety are required in order to maximize the return on investment to each segment of the Canadian grain handling system and to satisfy international and domestic marketing requirements. Developing new and improved methods for evaluating and measuring end-use quality and safety factors for all grains (e.g. Near Infra Red (NIR), digital imaging, rapid viscosity analysis (RVA), variety identification (VID) technology, pulse cooking quality, Ochratoxin-A (OTA) and deoxynivalenol (DON) assessment methods) is a major focus of this program activity and contributes directly to operational priority #2.

Research conducted on grain quality and grain safety factors

- In order to remain competitive in the international marketplace, it is important that future grain quality and safety attributes be anticipated and captured. As such, research in the GRL that supports emerging issues in the GQAS to meet changing producer, industry, and customer demands for specific end-use quality, variety identification, and safety factors is crucial to all segments of the Canadian grain industry and contributes to operational priority #2. The GRL will continue to research relevant grain quality and grain safety factors and develop methods to provide assurances for domestic and international markets. Efforts to develop and validate research to improve quality and safety evaluation of grains is necessary

for the CGC to continue to ensure that Canada's grain is safe, reliable and marketable (e.g. sprout damage in wheat, chlorophyll in canola, dehulling in lentils, cooking time in pulses, germination energy in barley, food use of flax, noodle quality, trace element determination).

- The CGC will continue research efforts on wheat and barley DNA and protein fingerprinting. The aim is to develop tests for identifying and quantifying varieties of grains in shipments in order to develop the capacity for identifying multiple variety composition and enable segregation of variety specific shipments. This technology may also enable determination of GM status of grain shipments.

Research conducted on grain standards

- Continually evolving uses of grain require that the CGC have the ability to anticipate, identify, and measure new grain specifications and standards to meet changing industry needs. The GRL will continue efforts to develop specifications and measurement protocols to support new standards, develop objective testing protocols and specifications to support the Canadian grading system, and facilitate the end-use diversification of Canadian grains with new end-use traits. Researching new grain standards supports departmental priorities #1 and #2.

ISO/IEC 17025

- During the planning period, the GRL will continue the process of ISO/IEC 17025 accreditation for certain methods in its laboratory testing environment. In addition to supporting the grain quality research program, ISO/IEC certification of the GRL will support the scientific and technical testing, provided by the GRL, to measure grain safety and end-use quality provided under program activity #1. ISO/IEC within the GRL will give the customer increased confidence in the processes and testing methods that support Canada's GQAS.

Benefits for Canadians

This program activity is integral to the continued relevancy of Canada's GQAS and contributes directly to the overall success of the CGC in ensuring Canada's grain is safe, reliable and marketable. The grain quality research program aligns with and contributes to the pursuit of the Government of Canada outcome area: *An Innovative and Knowledge-based Economy*. This program contributes to the Government of Canada's objective in this area of a diverse and technologically advanced economy. Research undertaken and sponsored under this program activity leads to the development of recognized methods for quality and safety evaluation of all grains and objective testing protocols and specifications to support the Canadian grading system and facilitate the end-use diversification of Canadian grains. This allows Canada's GQAS to be continually adapted to assure grain quality and grain safety to meet the end-use needs and processing expectations of domestic and international buyers of Canadian grain.

2.1.4 Program Activity 4: Producer Protection Program

Program Activity: Producer Protection Program					
2009-2010		2010-2011		2011-2012	
Human Resources (FTEs)	Planned Spending ($ thousand)	Human Resources (FTEs)	Planned Spending ($ thousand)	Human Resources (FTEs)	Planned Spending ($ thousand)
8	938	8	938	8	938

Expected Result	Performance Indicator	Target
Producer satisfaction with the grain handling system	CGC response to producer complaints	Zero unresolved or unaddressed complaints

Key Strategic Risk

- Producers are compensated fairly for the quality and quantity of grain delivered and shipped

Risk Management Strategies

- Compliance officers investigate producer concerns/complaints
- Licensing risk assessment program
- Liaison between the CGC, producers and grain handlers
- Integrated people and business planning process to identify human resource challenges that could impact delivery of CGC program activities and strategic outcome. Strategies and plans are identified.

Additional information on the Producer Protection Program is available at:
http://grainscanada.gc.ca/protection-protection/iappm-mrspp-eng.htm

Program Activity Summary

The CGC is mandated to serve producer interests by upholding the *Canada Grain Act* and as such has implemented a number of programs and safeguards to ensure the fair treatment of Canadian grain producers. These include the licensing and security program, allocation of producer cars for producers and producer groups that wish to ship their own grain, and producer liaison measures including a grain grade appeal system. In addition, the CGC collects and updates grain quality data and grain handling information to facilitate producer sales and marketing decisions.

Planning Highlights

The overall expected result of the producer protection program is that producers' rights are supported to facilitate fair treatment within the licensed grain handling system. The performance indicator used to measure success is CGC response to producer complaints. The target is zero unresolved or unaddressed complaints. The CGC will consider amendments to the *Canada Grain Act* and *Canada Grain Regulations* to ensure the CGC's legislation, programs, and services continue to meet the evolving needs of producers and the grain industry. Where possible, amendments will be made to benefit producers by encouraging a lower cost, competitive and innovative grain sector. The CGC will continue to operate the following three mandate supporting program sub-activities to achieve the expected results associated with this program activity:

Licensing Program

The CGC licenses and regulates primary, process, terminal, and transfer elevators as well as grain dealers in accordance with the *Canada Grain Act*. Licensed elevators and grain dealers are required to post security to cover their liabilities to producers in the event of a company default. The licensing requirements also ensure that producers can access their right to be paid on the basis of grade and dockage that is determined by a CGC inspector, rather than by the grain handler. In addition, licensees are required to report grain handling information as stipulated in the *Canadian Grain Regulations* to facilitate the CGC's statistical reporting activities. The expected result of this program sub-activity is licensing compliance in accordance with the *Canada Grain Act*. This regulatory activity contributes to the fair treatment of western Canadian producers. The CGC will continue increased scrutiny and enforcement of security requirements as a result of increased grain market volatility.

Producer Car Allocation Program

Pursuant to the *Canada Grain Act* and *Regulations*, the CGC provides and makes available an alternate grain delivery mechanism for producers and producer groups that wish to ship their own grain. The CGC has sole responsibility for the allocation of producer cars for both Canadian Wheat Board (CWB) and non-CWB grains. The CGC works closely and cooperatively with the CWB, grain companies, and the railways in an effort to ensure that producer car orders are filled in a timely manner. The expected result of this program sub-activity is an alternate grain delivery mechanism for producers and producer groups. During 2009-2010, the CGC will continue efforts to re-engineer the producer car software and producer car database.

Producer Support Programs

The CGC has set up an information and compliance framework to safeguard fair and equitable grain transactions for producers. This helps to ensure that producers are properly compensated for the quality and quantity of grain delivered and shipped. This sub-activity is comprised of many programs and activities including mediating and/or arbitrating producer complaints concerning transactions with licensed grain companies, re-inspection of samples on producer request, and investigation of quality and dockage complaints. In addition, the CGC continually collects and updates grain quality data and grain handling information and makes it available to producers and other interested parties to facilitate producer sales and marketing decisions. The expected result of the CGC's producer support programs is that producers are properly compensated for the quality and quantity of grain delivered within the licensed grain handling system. During the planning period, the CGC will continue to consult with and evaluate feedback from producers on the activities and services provided under this program activity.

Benefits for Canadians

This program activity aligns with and directly contributes to the pursuit of the Government of Canada outcome area: *A fair and secure marketplace*. This program contributes to the Government of Canada's objective in this outcome area of a secure, fair marketplace that maintains and enhances consumer confidence and gives businesses an optimal environment for competitiveness. The licensing program, producer car allocation program, and the producer protection programs directly contribute to ensuring Canadian grain producers are properly compensated for the quality and quantity of grain delivered and shipped.

2.1.5 Program Activity 5: Internal Services

Program Activity: Internal Services					
2009-2010		2010-2011		2011-2012	
Human Resources (FTEs)	Planned Spending ($ thousand)	Human Resources (FTEs)	Planned Spending ($ thousand)	Human Resources (FTEs)	Planned Spending ($ thousand)
62	9 453	62	9 453	62	9 453

Program Activity Summary & Planning Highlights

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

SECTION III – SUPPLEMENTARY INFORMATION

3.1 List of Tables

The following tables contain supplementary information and can be accessed electronically on the Treasury Board Secretariat website at:
http://www.tbs-sct.gc.ca/rpp/2009-2010/index-eng.asp

Table 1: Green Procurement
Table 2: Internal Audits
Table 3: Evaluations
Table 4: Sources of Respendable Revenue
Table 5: Summary of Capital Spending by Program Activity
Table 6: Revolving Fund – Statement of Operations